

RAPID Task Order 2.1 Activity

End of Assignment Report:
Consultant: Lynn Harmon
Position: Interim Activity Leader
Dates of Consultancy: January – June 2002

Submitted to:
Chemonics International, Inc.

Gaborone, Botswana

June 2002

USAID Contract No. 690-I-00-00-00149-00

Period and Place of Assignment: This report covers my assignment with RAPID for the period January 22 – June 29, 2002. I was based in Gaborone, but traveled to Namibia and South Africa in relation to the work for the Trans Kalahari Corridor Management Committee, and to Tanzania, Malawi and Zambia doing field research for technical assistance in founding a Corridor Committee for the Dar es Salaam Corridor.

Objectives: Strategic Objective 2 provides for a more integrated regional market, with the intermediate result of more efficient provision and operation of infrastructure. A major objective is to foster system improvements, cost reductions and harmonization of regulation among the SADC countries. Initially, this included support to the concessioning of railways, the Southern Africa Railways Association, and other efforts to improve the provision of freight services by railway. RCSA has determined for the present time not to be involved in railway work. The second area of activity work, support to transport corridors, has become the lead activity for this intermediate result.

While some of the SO2 transportation work is being done at the region-wide level, this second dimension is working on specific corridors to capture the energy of the private sector and their immediate bottom line interest in improvements. The expected result is a more efficient, cost-effective system with harmonized regulations and a committee designed to continually monitor the performance of the corridor and to coordinate the efforts of the members to keep improving that performance. This is the activity for which I was responsible between January 22 and June 29, 2002.

I was specifically asked to assume this role when the corridor leader was tragically killed in a highway accident on December 30, 2001. It was my task to determine the status of the full range of on-going initiatives on the Trans Kalahari Corridor, to keep them moving forward and to identify new initiatives. On the Dar es Salaam Corridor, the task was to do field research to determine the current situation and propose the nature of a corridor committee that could address the unique needs of the corridor.

Strategy: These objectives were to be carried out working with specific partners identified by RCSA. In the case of the Trans Kalahari Corridor, the support was being provided to the Trans Kalahari Corridor Management Committee and its Secretariat, the Walvis Bay Corridor Group. In the case of the Dar Corridor, the Transport Coordinating Committee requested that SATCC-TU provide assistance in the development of a full Corridor Committee as envisioned in the SADC Transport Protocol. The recommendations will be presented first to the TCC and then to a broader group of stakeholders as envisioned in the RAPID Assessment and Recommendations for their consideration. The stakeholder meetings in each country will also be used to discuss the development of a national committee. It will form the part of the DeSCC that identifies needs at the national level that should be addressed by the corridor and responds to requests from the Corridor Committee for national policy, regulatory or legal changes. During each stakeholders meeting, an ad hoc working group of public and private sector leaders will be tasked to organize a national committee and to continue the process of building support for the Corridor initiative. They will be the initial point of contact for the founding group in each country.

Progress Made on Corridor Objectives During the Assignment:

Trans Kalahari Corridor Committee

On-going Corridor activities have been carried out working with several consultants already involved in the corridor work for some time and drawing in additional consultants. On the TKC, the central activity has been the Memorandum of Understanding which defines the organization being created and its objectives for achieving improvements on the corridor. A specific timeframe is indicated in the MoU for each constraint to be addressed. The corridor objectives discussed below are in direct response to the goals set in the February meeting of the TKCMC and reiterated in subsequent consultation with the partners on the TKCMC: Co-Chairman – Philip Amunyela (Namibia), Moses Sebolai (Botswana), and James Chiumya (South Africa), Frank Gschwender (Secretariat), Barney Curtis (FESARTA) and Ed Little (FCFASA).

1. Setting priorities and objectives. The TKCMC holds two meetings annually. One of the first tasks was to hold a TKCMC meeting in Gaborone. This meeting brought together the key stakeholders to review what had been accomplished since their last meeting and to set priorities and a work plan for the coming year. A half day briefing of Botswana stakeholders was held to share information on the status of the Committee, the approval of the MoU and RAPID technical research. It was used as a time to build support for the MoU and the overall TKCMC mission. The action plan has been used as the blue print for priorities and task development. Procedural Guidelines for the Secretariat, Customs, Overload Control, HGV Driver Training and Testing, Traffic and Law Enforcement, Animals on the Roadway, Transport of Hazardous Goods and Road User Charges were established as the first priorities for the formation of working groups under the Memorandum of Understanding. The action plan also set a number of additional marketing and institutional strengthening objectives for the year 2002.

2. Finalizing agreement on the organization, goals and timeframe. The primary objective has been to get the Memorandum of Understanding (MoU) which officially establishes the Committee as an entity created by the governments and private sectors of Botswana, Namibia and South Africa. Obtaining approval involves each Minister of Transport circulating the document to all Ministries and other agencies as well as private sector representatives likely to be affected by the MoU for their comments. The comments are then incorporated into the MoU document. RAPID provided clarification to relevant agencies in the Governments of South Africa and Namibia as well as the private sectors in each country and amended the MoU draft accordingly. A reporting and tracking device was developed to reflect the approval process in each country. This process is important for the implementation of TKCMC because it insures buy-in not only from the Ministries of Transport, but also from the other government agencies and private sector entities that will be involved in the working groups designed to achieve the goals enshrined in the MoU. A meeting of the Ministers of Transport held in conjunction with a SADC-wide meeting of Ministers in Luanda, Angola during the week of June 17 reached final agreement on the document. All three Ministers of Transport are committed to the TKCMC and enthusiastic about its potential contributions to their work. Namibia is ready to sign, Botswana needs two more weeks to finish its process, and South Africa just needs final approval from Home Affairs and Border Police. Unfortunately, the next two months are already dedicated to Civil Aviation, SADC and other issues. Therefore, the signing is likely to take place in early September. It was agreed that Philip Amunyela, Chairman of TKCMC for Namibia, will coordinate the date and arrangements. Therefore the TKCMC can be officially inaugurated at its next meeting to be held in conjunction with the signing. In the meantime, the working groups for the initial activities prioritized in the February meeting can be formed. A preliminary design of a web site to foster the operation of the working groups while minimizing travel has been presented to RCSA for approval. With the limited budget under the Global Competitiveness Hub, speed in implementing the web site becomes particularly important.

3. Secretariat Procedures. In preparing for the full operation of the corridor committee, RAPID has been instrumental in preparing procedural guidelines for the operation of the Secretariat. It was agreed as part of the initial design, and incorporated into the MoU, that the Secretariat would rotate among the three countries. Therefore, procedural guidelines are critical to provide agreement and guidance for the Secretariat's operation and to insure continuity as it rotates. These guidelines have been completed and will be voted on at the next TKCMC meeting set to accompany the signing of the MoU.

4. Meeting Corridor Objectives: Border Facilitation. Border facilitation was seen as the most important goal of corridor development from the start. Work began on it in advance of the formation of the TKCMC and was reaffirmed as the main goal at the TKCMC meeting. The RAPID Corridor team has worked with the RAPID Customs team to insure that the RCSA-supported corridors will be used as pilots for reform so that corridor and regional reform objectives are addressed simultaneously. The Walvis Bay Corridor Group provided assistance in the customs transit trial with publicity for the trial and promotion of participation in the trial. It will be involved in the evaluation as well. The WBCG and particularly the freight forwarders and hauliers within the group, are putting pressure successfully on Namibian Customs to make the necessary legal changes for the SADC form to be used not only for transit, but for all customs purposes so that it is a single form for Namibia. The private sector members of Corridor Committees can be a powerful force for national legal reform and harmonization.

The Corridor Team has also been involved in building support for one stop border posts. This year it has worked with the South African Revenue Service in a process of building consensus within SARS for joint border facilities. It has prepared a position paper and draft bilateral agreement to supplement the draft legislation prepared last year. It made a presentation of the concept and participated in the discussion and planning process. As a result, SARS is now moving ahead with changing their legislation to support joint border posts, is incorporating the concept into its design for its new border post at Skilpadshek on the TKC and is forming an interagency group to obtain support for joint border posts from the other agencies involved at the border posts. Both Botswana and Namibian customs have indicated that they will take the lead from SARS in making similar changes in their laws. It is recommended that the next step for RAPID support of the initiative is to work with the other two TKC countries so that the joint border post concept is introduced throughout the TKC. To this end a roadmap has been prepared under TO 2.1 on what needs to be done in Botswana and Namibia to have the legal basis for joint border facilities. With a limited amount of technical support this program should move forward. It is recommended, however, that based on the South African experience, implementation should begin with internal consensus building. Once implemented on the TKC, other countries should follow suit. The greatest reduction in time and unnecessary cost will be felt at the busiest borders. The law has been drafted in such a way that it applies to all neighboring countries and even positioning of customs officials at ports of entry.

5. Meeting Corridor Objectives: Overload Control. Working with its partner, Federation of East and Southern African Road Transport Associations (FESARTA), the Corridor team has developed a pilot and long term plan for introducing overload control, first on an experimental basis at the Martins Drift crossing, then on TKC and then on the Dar es Salaam corridor in Malawi and Zambia. The plan uses the existing regulations for the pilot, while working with the other countries to make the legal changes in South Africa, Namibia and Zambia that will allow administrative rather than criminal enforcement procedures (criminal proceedings have been found to be time consuming and easier to circumvent). Tanzania and Malawi have already made overload control an administrative matter and Botswana has written it into its draft Road Transport legislation which is beginning the enactment process. A proposal has been presented to

RCSA by FESARTA with accompanying documents from the three national co-chairmen of the TKCMC indicating their approval of the design and carrying out the pilot at Martins Drift. Most of the members of the working group have been identified and it is ready for implementation under the new Task Order. A position paper on short term options for a system of administrative penalties has been prepared under TO 2.1, so that the pilot can proceed without delay under TO 2.4.

6. Meeting Corridor Objectives: HGV Driver Training and Testing. Preliminary research has been done on HGV Driver Training and Testing in South Africa and, to a lesser extent, Namibia. Discussion was held with the trucking industry which currently carries out much of the training itself. SATCC-TU is developing basic driver training manuals, but has expressed interest in RAPID working on HGV training and testing. It is especially important because of prevalence of AIDS among truck drivers. This is a potential area for the new task order to address and one that possibly can be done on both corridors simultaneously. It is the understanding of the consultant that Malawi has a training program and the U.S. Federal Highway Administration also indicated a willingness to provide examples for the United States. A Working Group should be able to take existing programs to develop a system that can be introduced in the six - seven corridor countries.

7. Meeting Corridor Objectives: Road Traffic Laws and Enforcement. The issue has been raised in Botswana where a new law is pending, but needs to be defined and implemented under the new task order.

8. Meeting Corridor Objectives: Animal Control. The importance of the issue has been recorded in all inspection trips of the corridor. Truckers are unwilling to travel the Botswana portion of the TKC at night because of the number of animals on the road and are unable to reach full speed or comfort during the day because of the hazard they pose. The Government of Botswana has considered the options and reached some decisions that will affect the performance of the highway. The Department of Tourism and environmental groups oppose fencing because it disrupts natural migration routes and often does as much to fence animals into the right of way as to keep them out. The major problem in Botswana is domestic animals. The Road Transport bill authorizes the Government of Botswana to construct kraals along the right of way where government officials will herd and confine domestic animals until they are collected by their owners and fines paid. It is assumed that this will encourage livestock owners to control their animals rather than allowing them free range. RAPID has been tracking the process of addressing this issue.

9. Meeting Corridor Objectives: Transport of Hazardous Goods. FESARTA alerted TKCMC in the February 2002 meeting to the fact that new South African legislation on Hazardous Goods would become effective during the 2nd Quarter 2002 and would affect truckers using the roadways in South Africa. FESARTA has proposed a series of briefings on the implications of the new regulations now they are in effect and require all transiting trucks to be in compliance. This issue will be carried over to the new Task Order.

10. Meeting Corridor Objectives: Road User Charges. Final editing will be done in July on the report on the status of road financing systems in Botswana, Namibia and South Africa. This study can provide the basis for interventions in Botswana and South Africa. Namibia already has a well-designed program. Some discussion has been held on selecting the implementation Working Group and beginning with a trip to Namibia for a comprehensive study of their system followed by TA to the other two TKC countries. South Africa has begun to review this issue both in the Department of Transport and in the Parliament. It is possible that this is the time for

technical assistance from RCSA. Botswana has a recent study for implementation of road user charges. No further study is necessary until a governmental decision is made to introduce road user charges. Roads are being heavily used for freight without adequate preventive and routine maintenance and non harmonized road user charges in SADC clearly distort traffic flows. As a result, there is demonstrable need for action on road user charges.

11. Meeting Corridor Objectives: HIV Prevention for Transport Providers. HIV infection is particularly serious among truckers because they spend most of their time in travel. The February TKCMC meeting authorized Barney Curtis, Executive Director of FESARTA, to proceed on its behalf to seek USAID HIV program funding for activities designed to address this problem on the TKC. A workshop on the issue was held the week of June 17, 2002.

12. Gaining a first hand perspective on the Corridor. A RAPID consultant rode the corridor on a 56 tonne inter-link truck to gather baseline data on the customs pilot and to reconfirm the main constraints on the corridor that need to be addressed. His experience with customs was positive. It took a total of 30 minutes to clear a sealed container at the Namibian-Botswana border and 30 minutes to clear two empty containers at the Botswana-South African border. His perception was that the poor road conditions between Jwaneng and Sekoma and the animals on the highway were significant impediments. The road is currently being rehabilitated and the contractor indicates that the rehabilitation will be complete in May 2003. If sufficient resources are dedicated to removing and penning animals found on the road and assessing their owners with penalty fines, this will be a partial solution and probably the best that can be realized in the mind of the consultant. Other issues raised by the trip are the issue of road charges (or lack thereof) and effectiveness of overload control. In the current situation, these appear to distort traffic flows and need to be addressed by the TKCMC. The issue of accommodations and other facilities along the route are important in the minds of truckers. They know the South African route and have favorite places to stop. They dread the long open spaces on the TKC without facilities or emergency services. It is also a question of sameness in the landscape which makes it hard to stay alert. Some issues that are raised seem to be misperceptions. An HGV has sufficient fuel for the entire run, so gas stations are issues only for cars and small trucks. In addition, there appears to be cell phone reception on most of the route. This trip suggests that there is a need to dispel misperceptions and to address the issues defined as corridor objectives in the Memorandum of Understanding. The second objective of this visit was to publish an article that describes the ability of the TKC to deliver rapid turnarounds on cargos to and from the United States and Europe. This article has been completed and submitted to *Business Day* for publication. A second objective was to gather data that could be used as the baseline to demonstrate improvements in border facilitation as part of the evaluation of the pilot. A second “before and after” article will be based on a follow-up trip on the TKC.

13. Preliminary discussions have been held on the development of a Botswana Development Corridor Group. The success of the Walvis Bay Corridor Group in bringing together government decision-makers and the private sector to promote business use of the corridor and to address constraints, has led to discussion of the need for a national group in Botswana that can work on implementation within Botswana on behalf of TKCMC and insure that TKCMC considers the interests of Botswana in their corridor-wide actions. This is especially important in Botswana because many of the constraints, such as lack of accommodations, restaurants, emergency service and repair facilities, etc., require private sector interventions. A major study has already been done by GOB on business opportunities on the TKC. Private sector leadership is coming from BOCCIM (Botswana Chamber of Commerce, Industry and Manpower) and Lobatse 2000 and government interest from the Botswana Ministry of Trade, Industry, Wildlife and Tourism. Preliminary contact has also been made with the C2C SDI which is concentrating it

efforts on fostering tourism development on the C2C corridor from Maputo to Walvis Bay for possible coordination and cooperation.

14. Meeting and Follow-up with the US Federal Highways Division. RAPID met with Mr. Al Logie of the US Federal Highway Administration and Edgar Thornton, a member of the New Mexico delegation to initiate the Botswana – New Mexico Department of Transportation partnership. Both men promised follow-up information. There are many similarities to the transportation issues faced by Botswana and New Mexico. Issues that were identified for potential cooperation are wildlife and domestic animal control on roadways, transit road user charge systems, and HGV driver training and testing. The New Mexico partners are eager to provide assistance to TKCMC in meeting their objectives. These are contacts that should be used under the new Task Order. There is a similar relationship established between Namibia and New Jersey which can be used to advance the TKC initiatives. In addition to the materials cited above, Mr. Logie promised information on international experience with overload control and conversion of force account workforces to private contractor companies.

Institutional Strengthening

15. Financial Sustainability for Corridor Groups. A number of public private partnerships have been started with assistance from RCSA, some to represent transport operators and others to represent national or multinational interests on a specific corridor. All have initially received donor start-up funding. All are facing the critical issue of long-term sustainability. Some have received technical assistance from RCSA in developing a business plan, but are still in need of help in strategic thinking about how to fund their activities more long term. The Walvis Bay Corridor Group currently receives part of their funding from membership dues, part from the Government of Namibia and part from donors. It is currently involved in formalizing and regularizing the first two sources. In view of the fact that donor commitments are likely to run out in the next 12-18 months, the Walvis Bay Corridor Group is seeking to develop a plan for long-term self-sustainability. This issue was discussed at the February meeting of the Trans Kalahari Corridor Management Committee and received support from its stakeholders since WBCG is also acting as the Secretariat for TKCMC. A scope of work was written for the purpose of reviewing current financial planning procedures, financial requirements and potential revenue sources in order to develop strategies for income generation for the WBCG. The consultancy will also produce general guidelines and recommendations which can be of benefit to similar organizations. The TKCMC Secretariat is designed to move between the participating Member states. Cost of meetings and technical assistance is currently provided by RCSA. There is need for strategic thinking on the long term financial viability of TKCMC as well.

16. Resource Library and Business Partnerships. The need for resources to be collected and maintained in both hard copy and internet libraries has long been discussed. A proposal is on the table to develop an electronic data base of regional resources, links to other sites and on-going data collection. The assumption was that this activity would begin late 2002. Business partnerships have been discussed with the American Association of Port Authorities, the Port of Charleston and the World Trade Center in Charleston, and the Port of New Orleans. Further discussion is needed with Corporate Council for Africa.

17. Assessment of Training Needs. WBCG has contracted with a firm to carryout this activity. Training programs are being developed for basic trade and transport skills. These programs can readily be offered to the other countries on the Corridor.

18. Corridor Best Practices Manual. Each new Scope of Work is being developed so that components of this manual are generated. Some preliminary design and draft work has been done under 2.1. This is a major deliverable for the New Task Order. SSATP of the World Bank is also considering working on a tool kit for corridor development. Coordination on this activity may avoid unnecessary duplication.

Business Development and Marketing Activities on the TKC

19. TKC serves AGOA. The truck trip above demonstrated that the port and inland infrastructure can provide a shorter more reliable route to the United States and Europe. The Walvis Bay Corridor Group on behalf of the TKC has been actively marketing the benefits of TKC for these markets. AGOA workshops that stressed the opportunities presented by TKC were part of the business development plan for the year. Two workshops were organized in late April and early May by the US Department of Commerce and respective embassies in Namibia and Botswana. RAPID assisted in the design and recruitment for these workshops and WBCG made a presentation on transport services for AGOA users at the Namibian workshop. These workshops were effective in raising the visibility of AGOA and in promoting the use of the TKC. After the Botswana Workshop, several freight forwarders asked for more information on what the route can do, and this is an opportunity that should be followed up.

20. Performance indicators task defined and developed. There is a need to create a base line on corridor performance from which to analyze the impact of TKCMC efforts to encourage increased traffic and business development on the corridor, employment and economic activity particularly in less developed areas. A Scope of Work was developed based on the preliminary research done for United Nations Economic Commission for Africa on *Road Sector Performance Indicators* by InterAfrica. The Scope anticipates the preliminary design being done for indicators on infrastructure, operations, safety, economic development and social impact. Once data sources are identified, the software adapted to the requirements and debugged for about 15 indicators, the data base can be expanded. Sustainability was to be achieved by involving a university intern to collect, input and analyze data. In this way, the cost is minimal and the skills passed on to a succession of interns in the three countries as the Secretariat rotates. Using interns will maintain the system at minimal cost and provide capacity building in the region that is transferable to other objectives. The plans are in place and await implementation under the new Task Order.

21. Regional freight traffic analysis defined. A scope of work was prepared for a consultant to determine the available container and other sealed cargo traffic bound for Europe and the Americas from the Gauteng. The intent is to assess which traffic would benefit most from using TKC and which fit best with a phased traffic development plan for TKC. The market analysis will be based on acquisition of targeted sectors of business identified rather than the classic method of identifying the growth factor and projecting it over 15 years. This study will provide a rationale and set of opportunities for the WBCG and TKCMC to include in their marketing efforts for specific segments of traffic.

22. A prefeasibility and business plan for providing a streamlined transport service on the TKC route was proposed. The competitive edge for the TKC and the Port of Walvis Bay is quicker, more reliable access to the U.S. and European markets from southern Africa. This involves a system that reliably provides the turnaround times required of a transport and logistics system for the intermediate production and just in time market that offers growth opportunities to manufacturers in Africa. To be successful in this market, the transport and logistics system must be highly integrated and effective. The overall design and specific scopes of work were written and the consultants recruited to meet this objective. This task, however, was not approved by RCSA.

Dar es Salaam Corridor Committee

These activities were undertaken in consultation with the Secretariat of the TCC and incorporated approximately four weeks of consultation with stakeholders in the member countries and data gathering in the region. TO 2.1 completed the exploration with a second consultation with TCC. TO 2.4 needs to start with stakeholder consultations in each of the proposed countries and final design, followed by implementation of the Dar es Salaam Corridor Committee.

23. Field Research and Design of the Dar es Salaam Corridor Committee. Field research was completed in Tanzania, Malawi and Zambia during March and April 2002. This report contains a preliminary assessment of corridor infrastructure and utilization, institutional structures on the corridor, the liberalization and privatization currently taking place, the operation of TCC and the needs of its stakeholders in all four countries, Tanzania, Malawi, Zambia and DRC. Based on the preliminary assessment of the current transport system and utilization of the corridor, it is recommended that a full corridor committee be established that includes a full time, professional secretariat to carry out data gathering functions, marketing of the corridor and development of operational and facilitative improvements in response to the market opportunities.

24. Consultation with TCC and Constitution Revisions. Consultation has been held with the Transport Coordination Committee which requested the assistance from SATCC-TU and RCSA. Necessary changes have been incorporated into the Constitution.

25. Preliminary preparations for the Stakeholders Consultations. A list of stakeholders and preliminary agenda has been prepared based on the field research and recommendations made by the RAPID transport, legal and institutional specialists. Stakeholder Meetings should be planned for each country to discuss the needs for such a committee and the outcomes to be achieved. These meetings should also be used to plan the National Committee that will coordinate with the Corridor Committee and to identify three to five public and private sector leaders to champion the creation of the national and corridor committee in each country. One of the issues that will need to be addressed during the Stakeholder Meetings is the location of the national committee in Zambia. A primary objective at the national level is greater coordination with government decision-makers so that the necessary policy and legal changes are made in support of Corridor improvements. At the same time, the main traffic using the Dar Corridor in Zambia originates in or is destined for the Copper Belt. The design suggests one government and one private sector national coordinator. In keeping with the need to have the private sector or market as the driver of change, it may be well to require that the private sector Coordinator is located in the Copper Belt and the government Coordinator in Lusaka and to rotate national committee meetings between the two sites, which are three hours apart on a good road or a short flight. The other issue is the manner in which the Democratic Republic of Congo is included. SNCC is already a TCC participant and freight forwarders handling trade to Congo have expressed interest. SNCC has volunteered to reach out to the business community in Lubumbashi to encourage participation. It may be sufficient to start with the immediate market areas in southeastern Congo and then gradually expand to wider participation. The Stakeholder consultation and committee implementation will be carried out under the new Task Order.

26. Preliminary assessment of technical assistance in the development of joint customs facilities at the Kasumulu/Songwe and Tunduma/Nakonde borders. Both facilities on the Tanzania side are in very poor condition and the current World Bank Tax Administration Project has USD20.5 million allocated for construction and rehabilitation of border post facilities. This is the ideal time to proceed while the designs are being made for the facilities and the funds are available. Preliminary discussion of this issue have been held with the World Bank representative

in Dar es Salaam, the Tanzania Revenue Authority and the Zambia Revenue Authority and all would be interested in working with a newly formed DeSCC and RCSA in realizing this objective.

Issues, Constraints and Opportunities:

The largest issue is bringing the public and private sectors together effectively. The motivation of the two groups is different and the perceived risks are different. Nevertheless, their collaboration is essential. Government is by nature risk averse. Most mid level government officials don't like to challenge the system that provides their employment. It is important to find those people who see a bigger goal at the end of the line, can articulate it and are willing to push beyond their comfort zone to achieve it. The private sector side is risk averse as well. They don't gamble their money easily. Entrepreneurs are those who weigh opportunities against risk and are willing to go with the opportunities that are achievable. They are therefore the ones most likely to "push the envelope", to be impatient to seek results, and ultimately the ones who "grow the economy". In the immediate term, they are the ones who either increase their businesses in a favorable regulatory environment or who stagnate and go out of business in a highly restricted environment. Government has the task of looking after the general welfare, of curbing business practices that harm it, and maintaining a level playing field in which all business have an equal chance of succeeding. Therefore, the role of the two groups are intertwined and the Corridor Committee is an excellent place for appreciation of the role of the other to emerge and where the best policies can emerge from open and frank discussion. The health of the national economy and employment depend on the two "getting things right".

Because this project by its nature asks people to devote additional generally unpaid time, it is important to that the people involved are committed to the goals, flexible, and willing to be change-makers. Motivation needs to be revived by stepping back periodically to review what has succeeded and to make new commitments to the longer term goal. Encouraging the right people to be involved and keeping them motivated is a primary goal of the consultant. The region is rife with good initiatives that got bogged down. It is important to reach people at the most senior levels of approval to get their buy-in and then to work with people at the operational level to achieve the intended results. Both levels must be informed to maintain support for the reform.

It is critical that attention is given throughout the Task Order to developing strong leadership within the Committee, encouraging leaders to delegate responsibility so that they aren't burned out and building long term sustainability into the organization from the start. Some people are natural leaders, but there are many leadership skills that are learned. The consultancy should be done in such a way that leaders at various levels of the organization are identified and fostered. Seed money from donors is often very important to a new initiative while it is proving its value. A plan for subsequent increase of membership fees and/or services for which a fee can be charged or a portion of a transport fee collected for organization support needs to be developed early and fostered institutionally.

Constraints:

Clear operating procedures. There need to be clear procedures within RCSA for technical approval of activities, so that time is not wasted on activities unlikely to receive support. Technical support for an activity should be determined first and once approved a consultant can be recommended and approved. These are two separate decisions based on different criteria and should not be linked. Activity Leaders need to know this procedure and the time within which it

operates so they can effectively propose and manage tasks. There also needs to be a process for sharing within RAPID so that related tasks are effectively integrated and supported to RCSA.

Bureaucratic procedures that resist change. Milestones and deadlines must be set, reinforced and rewarded. Decision-makers must know what kind of benefits can be accrued by the reform or innovation. When achieved, they also need to quantify the benefits. Insuring this final step will help insure support for the next initiative. Using this methodology will create an environment in which change is perceived more positively.

Ownership. Ownership is important in any activity. There is a natural inclination to rely on the donor consultant when possible. With the time constraints of busy government officials and CEOs, this is understandable. The consultant needs to guard against this and provide expertise without simply carrying out the activity.

Private sector willingness to commit time and money. The private sector needs to be convinced that there are direct benefits to action. This is demonstrated in the transport associations that have been formed. Initially, only a small cadre of companies commits time and membership dues. As the organization demonstrates that there are positive benefits that are reflected in the company's bottom line then they become more willing to pay membership dues. This is why some seed money and dedicated individuals willing to work without compensation are critical to initial success.

Financial sustainability. During STEP and TO 2.1, a variety of associations and committees have been formed. Most are facing serious questions of how to operate if they do not have donor funding to offset all or part of their expenses. For professional associations, membership dues were envisioned as the primary means of meeting costs. Most have found that only a small number of the largest companies provide dues. The Walvis Bay Port Users Association are concerned that the dues requirement of the Walvis Bay Corridor Group will lead some of their smaller companies to leave the association, yet they are the ones often who benefit the most from membership. Proposals for other funding sources have included, receiving a small part of the required truck permit fee or road user charge and developing member services for which a fee is charged. These options should be explored further under TO 2.4.

Recommendations:

Trans Kalahari Corridor Management Committee

The recommendations for TO 2.4 are largely contained in the description of each item above. A wide variety of important initiatives have been started and even more are envisioned for the next two years under the MoU targets. They need to be studied carefully for which can be carried out by working groups with minimum input from the Hub. The Hub can provide startup assistance and recommendations for resources that can be drawn on. Both Botswana and Namibia have sister Departments of Transportation in the United States. They should make use of these for technical assistance in meeting some of the MoU targets. Obviously, the limited budget means that technical assistance needs to be prioritized to those areas that promise the greatest results and cannot proceed without it. Based on these criteria and the stated priorities of the partners, the most important initiatives for technical assistance are:

1. Financial Sustainability
2. Container Freight Traffic and Marketing Study
3. Overload Control Pilot and Implementation on TKC and DSC

4. Start-up Assistance with the Botswana Trans Kalahari Corridor Group

5. Road user charges is a complex area on which South Africa seems ready to take actions. This is an issue that needs urgent attention in both South Africa and Botswana both to protect the existing road infrastructure and to avoid distortions of traffic routing. The decisions made in South Africa and Botswana impact directly on the perceived and real advantages to various routes that compete with TKC and on decisions taken as far away as the Dar es Salaam Corridor. Serious involvement, however, would take more resources than currently available through the HUB.

Dar es Salaam Corridor Committee

This organization is at the start-up phase and needs consistent inputs until it is launched and operating successfully. The recommendations call for the membership to be diversified from the existing TCC and a new more elaborate structure to be created. Because of the concessioning of Zambian Railway and to a lesser extent Tanzanian Railways being finalized now, it is critical to have a committee dedicated to maintaining the viability of the Dar es Salaam Corridor and making it a competitive alternative to the southern routes. The proposed emphasis for the DeSCC specifically addresses the issues of competitiveness of the route. Getting the start-up right is essential. There are major users of the Dar route, who stand to get significant gains from an organization that delivers, but who are on the verge of giving up on the current organization. The proposed organization will have a greater cost than the TKCMC as currently configured. To date TKCMC has relied not only on the WBCG for Secretariat services, but also on RAPID for professional services. On the DSC, a professional secretariat is recommended to carry out data gathering and analysis, marketing studies, and technical/facilitation recommendations. This immediately presupposes greater income to the committee than TKCMC. Once it proves its value, there are members capable of providing the dues to cover this level of services. There are other activities that could be carried out on a fee for service basis. Finally, it is possible to put a small service charge on traffic using the corridor. On a per unit basis, it will hardly be perceptible but can provide the means of financing the Committee. The latter is the method used on the Northern Corridor to provide trade facilitation services.

Members pay their own costs in attending TCC meetings and it is recommended that this practice continue. The support needed will be largely technical assistance. RCSA should consider some start-up/seed funding or provision of short term consultants to the Secretariat for approximately two years until a plan for sustainable financing can be developed and implemented. RCSA support to DeSCC needs to be defined at the outset, so that appropriate financial planning can be done by the Committee.